BY LOUIS UCHITELLE Associated Press Writer

ASUNCION, Paraguay -pin of heroin smuggling from Latin America sits in a jail cell with a painting and photographs on the walls.

Hhe wears an orange, black and white sport shirt, light blue slacks and highly pol-

ished loafers.

"Do I look like I deal in narcotics" asks Auguste Joseph Ricord, arms folded across his chest.

The 61-year-old Frenchman looks like a balding grandfather. He's short and wiry, and endless talker who removes his glasses frequently and points with them to emphasize what he considers to be the holes in the case brought by the United States to extradite him.

PARAGUAYAN ONE court rejected the U.S. extradition request. A three-judge court of final appeal is to rule by mid-July. If extradition is granted, a U.S. Air force jet is scheduled to fly Ricord direct to New York City for trial in U.S. District Court on conspiracy charges.

"I do not understand the accusations against me; they are a mystery . . . they are lies," Ricord said in a recent interview. "Paul Boulard asked me if I knew drug peoplc. I said yes. How could I not'know them. I have restaurants in Buenos Aires and Asuncion, I could not help knowing people who ate in my restaurants. But I stuck to my business."

Boulard is a special agent of the U.S. Customs Service. According to his sworn testimony on file in the Paramayan courts to support the extradition request. Boulard's investigation led to Riturd's indictment in March 1971 by a federal grand jury in New York City.

At the request of the U.S.

Boulard flew to Paraguay to interview him.

"HE THOUGHT my real (AP) - The man the U.S. name was Andres," said Rigovernment says is the king- cord, who is alleged to have used Andres as an alias, "He did not even know I own the Paris-Niza Hotel and Restaurant here . . . I am accused by a CIA agent and this man' power in 1954. has lied."

For 15 months, Ricord's home has been a 10- by 12foot cell in a special wing of Asuncion's state penitentia-

In contrast to the drab surroundings, the walls of Ricord's cell are filled with posters of Paris at night, the Eiffel Tower, a French countryside and Ricord's own oil painting done in jail of a Paris street - nostalgia for France, which Ricord has not seen in 25 years.

A death sentence awaits him there. He was convicted of having collaborated with the Nazi's during World War II. He also has a police record in Argentina, where he lived until moving to Paraguay in 1968.

RICORD'S CELL also has photos of his family, including a snapshot of a woman and girl in bikinis beside the swimming pool at the Paris-Niza Hotel. One is his 15year-old daughter, Josefina, a schoolgirl in Asuncion, who "believes in my innocence." The other is Ricord's niece, Elena Ana Bonsignour, 33. She brings her uncle meals each day.

Talking about his case, Ricord refers to seven folders containing legal briefs, testi-, mony, court rulings, newspa- . per clippings, and one special folder labeled "Defense," It contains Ricord's answers to each charge.

U.S. officials assert that Ricord was - and perhaps still is -- the czar of a Latin-American drug-running network that accounts for more than half the hard narcotics

The U.S. administration has placed so much importance on narcotics control and Ricord's extradition that the issues threaten to disrupt U.S.-Paraguayan relations for the first time since President. Alfredo Stroessner, a staunch came to

anti-Communist,

PARAGUAY HAS no narcotics law, but one is now before its Congress. The U.S. Embassy is pressuring for quick passage. The embassy also has delivered to the Foreign Ministry a copy of U.S. legislation enacted in February authorizing President Nixon to withhold aid to any country failing to halt the flow of drugs to the United States.

The United States gives Paraguay \$12 million annually in loans, grants and other assistance, plus \$1.5 million in military aid.

Most Paraguayans acknowledge that smuggling is a major Paraguayan activity, and that small planes loaded with contraband - usually cigarets, liquor and appliances - operate from private airstrips in the countryside.

The Ricord case began in October 1970, when U.S. authorities seized 93 pounds of almost pure heroin hidden in a single-engine plane carrying its owner, Cesar Bianchi, and Renato Balestra, both Paraguayans. Bianchi and Balestra decided to cooperate with U.S. authorities, leading to Ricord's arrest:

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with General Stroessner

Normally cordial relations between the United States and Paraguay have been soured by President Stroessner's failure to crack down on drug smugglers, who have been using Asunción as a convenient staging post for running heroin into North America.

For years the United States government has watched benevolently while President Alfredo Stroessner and his generals turned Asunción into the smuggling capital of Latin America. The staples of the trade were Scotch whisky and cigarettes; in 1969, Paraguay overtook Kuwait and Hong Kong to become the world's leading importer of United States eigarettes. The commander-in-chief of the armed forces, General Andrés Rodríguez, and the chief of the crack counter-insurgency force (RI-14), General Patricio Colman, and other top generals have become millionaires several times over on the basis of this lucrative traffic. Washington, however, takes a rather dimmer view of heroin smuggling into the United States (the eigarettes and whisky are destined principally for Brazil and Argentina). Since President Nixon's speech in July asking all friendly governments to cooperate in a drive to keep hard drugs out of the USA, pressure has been its part. Stroessner's problem is that he is not completely master in his own house and has to reckon with the powerful vested interests of the generals who profit from the drug smuggling trade. The chief of his personal secret police, Erasmo Candia, is alleged to have been responsible for the deaths of at least three Interpol narcotics agents over the open expression of anti-yanqui feelings as a result past three years.

In October 1970 five Paraguayans and a Frenchman were arrested in Miami airport with more than 10 million dollars worth of heroin stowed in the tail of their light airplane. One of the five, Enio Varela, gave the FBI enough information (in return for his unconditional release) for the United States to persuade the Paraguayan authorities to arrest another Frenchman, Auguste Ricord (alias Lucien Dargalles), whom Varela had fingered as the Mafia's top man in Paraguay coordinating the flow of heroin from Marseilles through Asunción, and on to the United States. Following Ricord's

request for Ricord's extradition, where ke would face charges of being 'one of the top drug smugglers into the USA in the past 25 years'. He is also wanted by the French police.

Stroessner - for reasons best known to himself - vetoed the extradition request, and the opposition believe that Ricord will die in prison as he knows far too much about the official protectors of the drug smuggling. The Liberal-Radical weekly El Radical was closed for a number of weeks after it tried to publish a list of the generals and politicians who were implicated in the drug smuggling, basing their information on a secret study undertaken by the Central Intelligence Agency (CIA) and leaked to opposition journalists by the United States embassy. El Radical's editor, Dr Juan Carlos Zaldívar, had his house raided by the police and was threatened with death by the chief of police, General Francisco Britez (one of the leading characters in the CIA report), should he ever try to publish such information again.

Among the consequences of the drug scandal was the temporary arrest in July of Pastor Coronel, the civilian chief of the police investigation department. In fact some see a power struggle between the 'traditional' smugglers, such as Generals Rodríguez and Colman, who see their empires threatened, and the new generation of hard drug smugglers, who include Britez, Coronel and Candia. It is also widely believed in Paraguay that the decision of the United States senate committee to reverse the earlier recommendation of the house committee to give Paraguay a sugar quota, should be seen as a reprisal for Paraguay's failure to come building up on the Paraguayan government to play to terms with the drug smuggling. This is denied notly but not entirely convincingly by the United States embassy.

President Stroessner has already been put forward as a candidate for the 1973 presidential elections by his militant supporters in the Colorado Party. However, what with the drug smuggling, the of the threat to the virtually promised sugar quota, and relations with the Catholic Church at their lowest ebb ever (following the torturing of the Uruguayan priest, Uberfil Monzón), Stroessner is biding his time before announcing his acceptance of the nomination.

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